



CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

August 20, 2004

MEMORANDUM FOR DISTRIBUTION

FROM:

Eileen T. Powell
Eileen T. Powell
Chief Financial Officer

SUBJECT:

Small Vendor Guidance - Payment Delays Due to Financial
System Conversion

The Internal Revenue Service will soon be implementing a new financial system. While we are excited about the capabilities of this new system, the conversion process creates a time period during which we will be unable to process payments to our vendors. The purpose of this memo is to define that period and explain the processes we have put in place to ensure our conversion will have minimal impact on our vendors.

Beginning September 27 and lasting through November 10, 2004, the IRS will be unable to pay invoices through our normal financial system. However, the following mitigations have been put in place to minimize the impact this may have on you:

1. The IRS Beckley Finance Center is authorized to make accelerated payments for invoices received by September 17, 2004. To ensure payment for services delivered through the end of September 2004, we ask that you submit proper invoices before September 17, 2004, and include on those invoices periods of performance up to and including September 30, 2004.
2. We have extended our normal payment processing for the federal financial year end from September 23 to September 27, 2004. While we cannot guarantee payment for proper invoices received by the Beckley Finance Center between September 17 and September 27, 2004, we will make every effort to do so.
3. The IRS will have some limited capability to issue emergency payments during the conversion period. Circumstances such as work stoppage, security requirements, continuance of mission critical operations, and financial hardship for a small or disadvantaged business may qualify for an emergency payment. If you feel you would have a supported emergency payment situation, please contact the hotline or e-mail address provided below. Note: emergency payment consideration will not occur for invoices which are not considered late according to prompt payment regulations.

4. In compliance with the Prompt Payment Act, appropriate prompt payment interest will be included with all invoice payments delayed by this conversion.
5. No proper invoice will be returned to a vendor solely as a result of this conversion.

We regret this inconvenience and ask for your patience and cooperation during this temporary conversion period. A hotline number, (304) 254-2492, has been established at the Beckley Finance Center to answer vendor questions. Please call it if you have any questions or concerns or e-mail us at BFC.Customer.Service@irs.gov.

cc: Director, Procurement
Acting Chief Financial Officer, Department of the Treasury
Commissioner, Financial Management Service